supported by a product support manager…" to "maximize value to the Department of Defense by providing the best possible product support

The Product Support Manager (PSM): Achieving Life Cycle Management Success

"The Secretary of Defense shall require that each major weapon system be supported by a product support manager…" to "maximize value to the Department of Defense by providing the best possible product support outcomes at the lowest operations and support cost."
-- FY10 NDAA, Section 805

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Background

- **Congress passed, and President Obama signed FY10 National Defense Authorization Act (NDAA) into law (Public Law 111-84), Oct 2009**
- **The legislation contained a provision in Sec 805 entitled "Life Cycle Management and Product Support" requiring:**
  - **the Secretary of Defense issue comprehensive guidance on life-cycle management and development/implementation of product support strategies for major weapon systems;**
  - **each major weapon system be supported by a product support manager (PSM); and**
  - **each PSM position be performed by a properly qualified member of the armed forces or full-time**

Life Cycle Management (LCM)

- "Life Cycle Management is the implementation, management, and oversight, by the designated Program Manager (PM), of all activities associated with the acquisition, development, production, fielding, sustainment, and disposal of a DOD system across its life cycle." (JCIDS Operation Manual)
- "The PM shall be the single point of accountability for accomplishment of program objectives for total life cycle systems management, including sustainment" (DoDD

PM has full accountability and responsibility for system acquisition and follow-on sustainment

Sec 805 PSM Responsibilities

- **A product support manager for a major weapon system shall-**
  - **develop and implement a comprehensive product support strategy for the weapon system;**
  - **conduct appropriate cost analyses to validate the product support strategy, including cost-benefit analyses as outlined in Office of Management and Budget Circular A-94;**
  - **assure achievement of desired product support outcomes through development and implementation of appropriate product support arrangements;**
  - **adjust performance requirements and resource allocations across product support integrators and product support providers as necessary to optimize implementation of the product support strategy;**
  - **periodically review product support arrangements between the product support integrators and product support providers to ensure the arrangements are consistent with the overall product support strategy; and**
  - **prior to each change in the product support strategy or every five years, whichever occurs first, revalidate any business-case analysis performed in support of the product support strategy.**

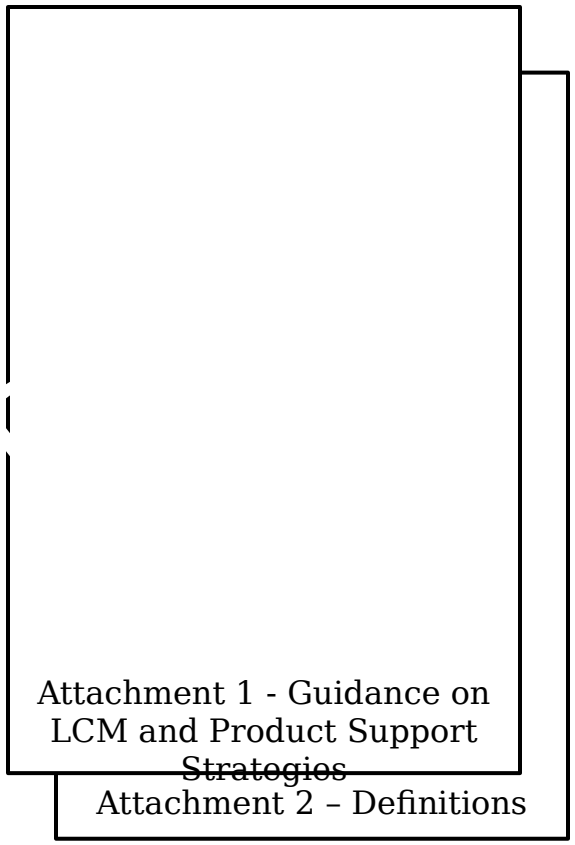
tion 805 Report Language

- **"Product support" encompasses all critical functions related to weapon-system readiness, including materiel management, distribution, technical data management, maintenance, training, cataloging, configuration management, engineering support, repair parts management, failure reporting and analyses, and reliability growth.**
- **Included within logistics and sustainment functions are the tasks normally performed as part of the logistics support required for a major weapon system that are designed to focus on such metrics as readiness, reliability, availability, mean down time, customer wait time, footprint reduction, and reduced ownership costs.**
- **The conferees note that in implementation of this provision, the positions of product support manager, assistant program manager for logistics, deputy program manager for logistics, and system support manager shall be considered synonymous.**
- **The conferees emphasize that the product support manager is a separate position from the program manager with distinct responsibilities.**
- **Additionally, the conferees in no way intend to limit DOD from establishing product support managers and comprehensive product support strategies for other acquisition programs that are**

Sec 805 - What's Next?

- **OUSD (AT&L) Action Required: NLT 180 days after enactment of the FY 2010 NDAA, SecDef shall issue comprehensive guidance on LCM and the development of PS strategies (including PSM implementation guidance)**
- **Three major policy updates anticipated to fulfill this requirement:**
  - **USD AT&L Directive-Type Memorandum (DTM) "Implementation of Section 805 of the National Defense Authorization Act for Fiscal Year 2010 "Life-Cycle Management and Product Support"**
  - **USD AT&L memo entitled "Government Performance of Critical Acquisition Functions" relating to Section 820 of the P.L. 109–364, John Warner National Defense Authorization Act for Fiscal Year 2007, as Amended by Section 805 of P.L. 111-84, National Defense Authorization Act for Fiscal Year 2010"**
  - **Revision of DoD Instruction 5000.66 "Operation of the Defense Acquisition Workforce Education, Training, and Career Development Program"**

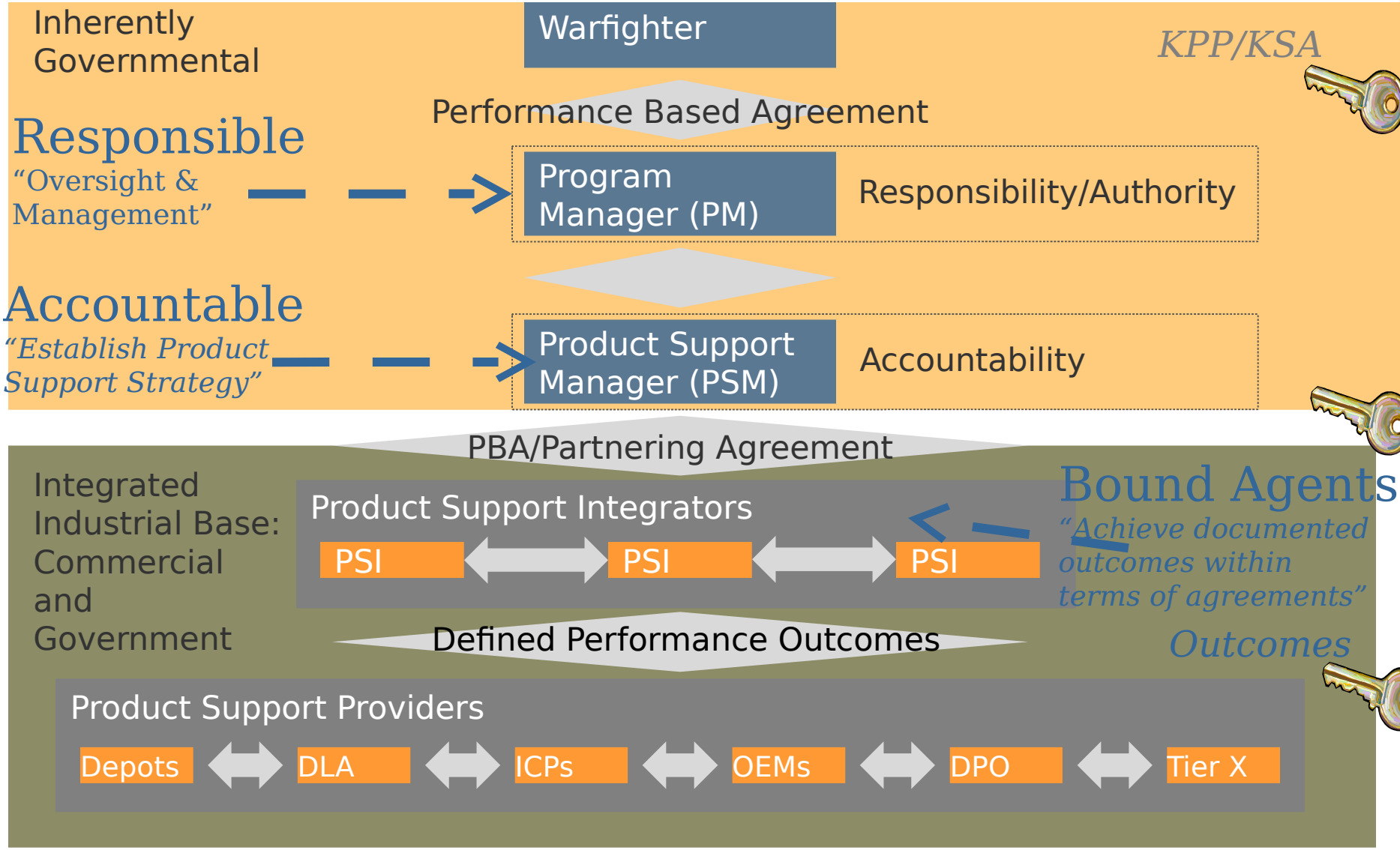
Draft Policy Memo



- Outcome-based (readiness-based) strategies at best-value costs
- Balanced use of DoD and industry resources via stable and robust partnerships
- Maximize competition, or the option of competition for long-term effectiveness
- **Assist PMs in LCM responsibilities via establishment of mandatory product support manager (PSM) positions**
- Assign properly qualified military or DoD employee to PSM positions
- Specifies PSM duties

On Track for April 30 Guidance Issuance

Product Support Business Model



Benefits

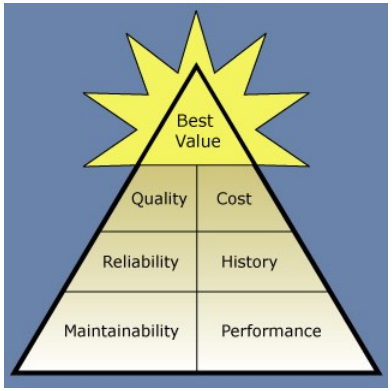
- Focuses on Desired Performance Outcomes
- Reduces Product Support Costs
- Supports the Program Manager (PM)
- Facilitates Life Cycle Management
- Clearly Delineates Inherently Governmental Functions
- Helps Achieve Long-Term Best Value Outcomes
- Establishes Clear Lines of Authority
- Clearly Articulates Roles and Responsibilities
- Standardizes Terminology
- Encourages Development of Appropriately Rigorous, Targeted Training

Recommendations

- **DoD Policy Considerations:**
  - **Updates to DoDD 5000.01, DoDI 5000.02, DAG, and *PBL Program Manager's Product Support Guide* to encapsulate PSM roles, responsibilities, and relationship to the PM**
  - **PSM location and reporting chain**
- **Rigorous PSM Selection Requirements**
- **Expand PSM Opportunities for Military Personnel**
- **Aggressively Implement DoD Product Support Assessment Human Capital Recommendations**

A Few Parting Thoughts

- **Congressional Mandate for Product Support Manager (PSM) is a Game Changer**
- **Operational Perspectives, Early Sustainment Planning & a Life Cycle Focus are Paramount**
- **While PM is Ultimately Responsible for LCM, PSM will be Key to Sustainment Planning and Execution**
- **Think (Very) Long Term, Best Value, "Life of Program" Product Support Perspective**
- **Policy & Statutes are Evolving Rapidly; Product Support Assessment & Sec 805 Implementation will drive next round**
- **Goal: genuine life cycle management which delivers sustained long-term weapon system readiness while optimizing life cycle costs**
- **By including Section 805 in the FY 2010 NDAA, Congress has made it clear where it**



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BACKUP SLIDES

A Few Key LCM Points

- **LCM is DoD policy**
  - **Terminology varies (TLCSM, LCM, ILCM, LCS), but principles are the same**
  - **Goal to provide more effective, affordable, operationally-ready systems**
  - **Focus on increased reliability, supportability, & maintainability**
  - **Early focus on sustainment across the system life cycle**
- **Remember: "the Program Manager (PM) is the designated individual with responsibility for and authority to accomplish program objectives for development, production, and sustainment to meet the user's operational needs." (Ref: DoDI 5000.02, Para 3.5)**

"Up front" sustainment planning enables acquisition & requirements communities to deliver systems with optimal availability & reliability to warfighter at best value

Sec 805 – What's Different?

- ***Haven't we always had Product Support Managers? Yes, but this legislation…***
  - **Explicitly establishes a PM "help-mate"**
  - **Strengthens PM authority (funding)**
  - **Builds a better Life Cycle Logistics human capital asset**
  - **More respect for an integral program management position (front-line)**
  - **Potential for many key roles and responsibilities to be performed better**
  - **More attentive to enterprise approaches, including FMS**

Draft Policy Memo

- **DoD policies implementing law will specifically require:**
  - **Assisting Program Managers (PMs) in performance of life cycle management responsibilities via establishment of mandatory Product Support Manager (PSM) positions for each major weapon system;**
  - **Assigning a properly qualified member of the armed forces or full-time employee of the DoD to PSM positions**
  - **Employing outcome-based (readiness-based) product support strategies delivered at the best value operations and support cost;**
  - **Maximizing competition, or ensure the option of competition, in implementing sustainment strategies for long-term operational effectiveness and making balanced use of DoD and industry resources via stable and robust government-industry partnerships;**
  - **PSM to perform specific duties, including development of a comprehensive product support strategy, conduct of appropriate**

PSM – PSI Roles and Responsibilities

What does this Mean?

- It's All About the Warfighter and National Security
- Product Support is Broader than Logistics
- Life Cycle Management is Enhanced
- Applicability beyond MDAPs
- Better Managed Weapon System Support
- PBL as a Weapon System Product Support Strategy is Enhanced
- Government and Industry Roles Clarified
- PM-PSM Relationship Better Understood

t support, also referred to as system sustainment, is the package of
quired to maintain the readiness and operational capability of weap
ns, software, and support systems." – DoD WSAR Product Support As

Four Logistics Workforce Categories

SUPPLY MANAGEMENT

Includes procurement to disposal of defense system material, and integration of multiple material sources and processes to meet war fighter requirements.

MAINTENANCE SUPPORT

Includes planning and executing maintenance, both scheduled and unscheduled, to defense system equipment.

DEPLOYMENT/ DISTRIBUTION/ TRANSPORTATION

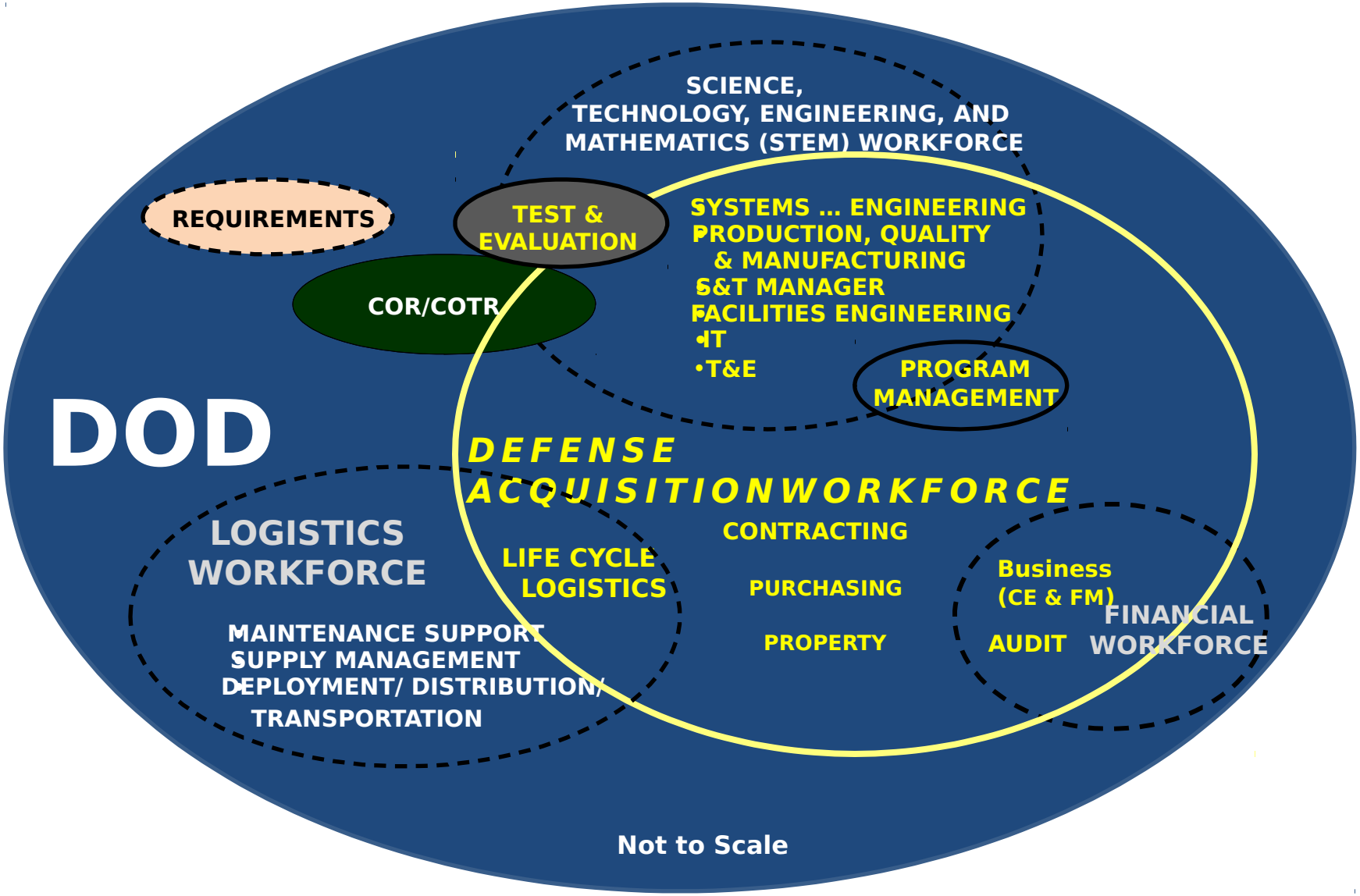
Includes transportation, packaging, cargo scheduling, and dispatching of materials, support services, and personnel in response to customer requirements to move

LIFE CYCLE LOGISTICS

Includes planning, development, implementation, and management of a comprehensive, affordable, and effective systems support strategy.

Bottom line: Support the Warfighter!

Functional Communities within the Defense Acquisition Workforce are Part of Larger DOD Communities



Mandatory Sustainment KPP & KSAs

- **Availability KPP:** Mandatory for ACAT I; sponsor decision for ACAT II/III. **Two components**:
  - **Materiel Availability:** Percentage of the total inventory of a system operationally capable of performing an assigned mission at a given time ***(Number of Operational End Items / Total Population)***
  - **Operational Availability**: Percentage of time a system or group of systems within a unit are operationally capable of performing an assigned mission ***(Uptime/(Uptime + Downtime))***
- **Mandatory KSAs:**
  - **Materiel Reliability KSA:** Probability that system will perform without failure over a specified interval. ***MTBF = (Total Operating Hours / Total # of Failures)***
  - **Ownership Cost KSA:** Based on Cost Analysis Improvement Group (CAIG) elements: unit operations, energy/POL, maintenance, sustaining support, continuing system improvements, regardless of funding source ***(O&S Costs Associated w/ Materiel Readiness)***
- **Plus a fourth Sustainment Outcome Metric: Mean Down Time**

Ownership Cost Provides Balance; Sustainment Solutions Cannot be Availability and Reliability "at any Cost"